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## Submission

to

ONTARIO MEDICAL SERVICES INSURANCE ENQUIRY

by the

by the

UNITED ELECTRICAL, RADIO AND MACHINE WORKERS OF AMERICA (UE)

292 Jarvis Street, Toronto 2, Ontario

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BRIEF TO ONTARIO MEDICAL SERVICES INSURANCE ENQUIRY

I INTRODUCTION

1. The United Electrical, Radio and Machine Workers of America (hereinafter referred to as UE) represents some 20,000 production workers in Ontario industries.
2. Our approach to health services generally and medical services insurance specifically is derived from the experiences of working people and their family needs.
3. In our Brief last year to the Royal Commission on Health Services appointed by the federal government, we pointed out that the essential elements of a well-rounded health program in our opinion consist of:
  - (a) influencing the environment to promote health
  - (b) widespread activity in disease prevention
  - (c) early diagnosis and treatment of sickness and accidents
  - (d) free medical services for the ill and injured, including convalescent, rehabilitation and home care aids
  - (e) adequate and sensibly distributed medical personnel and facilities
  - (f) planned research



4. We stated in the above Brief:

"We believe that only a state system of public health promotion (not just protection) can provide the optimum coordinated development of these various needed elements.

We do not expect these objectives to be reached overnight. We do expect a government with the welfare of the people uppermost to progress steadily in this direction." (p. 2)

5. Within the field of provincial responsibility we should particularly emphasize the important lacks of:

- (a) adequate factory health and safety legislation with a proper Board to administer the acts and enforce full compliance
- (b) adequate personal health services, including the provision of medical care, available to all.

6. As a step in recognition of Ontario's responsibility in the latter area we welcome the principle of medical services insurance, although we have serious objections and misgivings concerning Bill 163 (An Act Respecting Medical Services Insurance). Four resolutions dealing with medicare were submitted by local unions to our recent 27th Annual



Convention and these ideas are embodied in the following sections of this UE Brief.

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GENERAL CRITICISM OF PRIVATE PREPAID MEDICAL PLANS

7. Our point of departure is that health services are for people. Therefore human welfare must not be placed secondary to profit, administrative or professional considerations.
8. We agree fully with the following comment on prepayment plans for physicians services contained in the Brief to the Royal Commission on Health Services by the School of Hygiene of the University of Toronto.

" . . . These plans, by concentrating on payment to doctors for services rendered for diagnostic and curative medicine do little or nothing to assure balance or coordination of health services or an equitable distribution of doctors. These plans relate only to doctors and are not concerned with the numerous professional and technical people who help the doctor provide service. Furthermore, little evidence is forthcoming in the published medical literature that the plans pay much attention to quality of medical services. As a general rule, the plans do not provide capital funds to improve health services for



example, and do not therefore encourage the desirable trend to group practice. Finally, there is little effective voice in the policies of the prepayment plans by the 'shareholders' -- members of the general public, either as individuals, or collectively through government.

" . . . It has been suggested that tax money be provided to prepayment plans to allow of the rendering of service to those who are uninsured, by reason of poverty or because of the presence of disease or disability. If this is done, the major objections to prepayment plans still apply, even although they are thus enabled to render service to a wider segment of the population.

Prepayment plans are, in our opinion, only devices to pay bills. They represent a stage in the development of health services in this country, but are not a solution to the present and future problems."

9. We do not deny the benefits which collectively-bargained medical plans have brought to many workers' and their families in recent years. But we do submit that the time has come to broaden the service and scope far beyond



the limits of these private prepayment plans. We do also object to the principle of government support for private agencies to do what could be done better and more economically by a public body, like the Ontario Hospital Services Commission.



PROPOSAL FOR COMPREHENSIVE MEDICAL PLAN

10. As the required next step to complement the existing hospital insurance system in Ontario, UE proposes a comprehensive, compulsory medical insurance plan with coverage as follows:

- (a) Hospital -- including all services provided
- (b) Medical -- including preventive and well-baby care
- (c) Surgical -- including charges for anaesthetic and its administration
- (d) Diagnostic charges, x-ray, etc.
- (e) Charges for special nurses
- (f) Chiropractic and osteopathic charges
- (g) Charges for all drugs and medications
- (h) Charges for eye-glasses and hearing-aids
- (i) Charges for orthopaedic shoes, surgical appliances and artificial limbs, etc.
- (j) Ambulance charges
- (k) Charges for corrective and preventive dental care, including denture costs.

11. The added fee for the medical insurance coverage above should be kept to a minimum -- certainly not more than the present hospital insurance premium. Cost above



gross premium receipts should be paid by the province out of ability-to-pay taxes, including a capital-gains tax.

12. The province should exempt completely from fees everyone (and their dependents) who is unemployed, in receipt of the federal old age pension, or any form of municipal, provincial or federal aid.

13. Administration of the medical insurance plan should be merged with that of hospital insurance in the hands of an (enlarged if necessary) Hospital and Medical Services Commission.

14. Such a program would place the hospital and medical service requirements of the people of Ontario on a sound and humane basis of need.

15. As far as costs of medicare are concerned, the experience of Saskatchewan is instructive. There the first year of operation showed average cost per person to be \$25. Newspaper reports have suggested a probable cost under Bill 163 for "means test" cases in Ontario of \$33-1/3 per person. If we take an average cost somewhere between these figures, say \$30, and apply it to the total number now covered under Ontario hospital insurance, we get an estimated total annual cost of  $(\$30 \times 6,177,629)$  \$185 millions. If premiums



collected for medicare reached a maximum of the present total premiums for hospital insurance of \$92 millions (in 1962), this would leave \$93 millions to be paid from provincial revenues. In other words, our proposal would appear to indicate an approximate equal coverage of the cost of medicare between premiums and provincial contribution. It should be realized that the original cost sharing formula between federal and provincial governments and premiums payments of one-third each for hospital insurance has been grossly distorted in favour of the provincial government. In 1962, for example, the Ontario government contribution to hospital insurance was about \$36 millions short of one-third of the total cost. This "saving" to the provincial government was the equivalent of about 40 per cent of the estimated government share of medicare costs.



SPECIFIC CRITICISMS OF BILL 163

16. Subject to the foregoing important observations, UE also has the following comments regarding provisions and omissions of Bill 163.

Dependents

17. The proposed act defines dependent children as those who are unmarried and under the age of nineteen years, who are dependent for maintenance on the head of the family. We do not consider this definition wide enough in scope as it does not take into account children over the age of nineteen years who are attending school and who are dependent upon the head of the family for support. It is our view that dependent children and students irrespective of age, should be covered.

Medical Services Insurance

18. Should be defined as a contract providing for medical, surgical, diagnostic, anaesthetic, dental and drug care, along with care or treatment necessary for preventive or curative purposes. Payment should be based on full cost of treatment, care or services provided and should include charges made by chiropractors, osteopaths, physiotherapists and psychiatrists.



Resident

19. The stipulation providing that a person must reside in the Province of Ontario for a period of ninety days should be changed so as to provide immediate coverage for a person who has come to Ontario to live.

Provincial Participation

20. The Section of the Act leaving it permissive for the Minister to provide medical insurance coverage for what amounts to means test cases should be completely changed so that such coverage is assured to all citizens of Ontario whose earnings prevent them from contributing towards the premium cost of the plan.

Conditions Precedent to Writing  
Medical Service Insurance

21. The conditions set forth for underwriting Medical Services Insurance coverage should be controlled through an agency set up by the Government: The prime requisite for any carrier should be the rate charged for the benefits set out; and this rate should be set in accordance with the actual cash benefits paid out with the overall administrative cost kept to a minimum.



Later Applications Limitation

22. There should be no penalty applied to a late enrollment fee. Benefits should commence from the date of enrollment or coverage and all charges for services covered by the Medical Services Insurance should commence immediately from date of enrollment.

Adjustment of Subscription Rates

23. Subscription rates should be based on the overall experience of all participating carriers. Adjustments should be determined on a two year participation basis. Any proposed adjustment should require

- (a) prior information supplied to all participants as to the need for such adjustments;
- (b) the participants or their representative organizations having the right to make representation regarding such proposed adjustment.

Schedule "A" Exceptions

24. There should be no exclusion in the proposed plan for the following items and services:  
dental services, ambulance services, nursing



services, dressings and cast materials, services of government or commercial laboratories, drugs and medications, vaccines, biological sera or extracts or their synthetic substitutes, eye examinations and eye glasses, special appliances, oxygen, physical therapy and other similar treatments, new born infant care, advice by telephone, refractions for safety glasses.

25. The above listed items and services are vital to the preventive and curative health of the citizens of Ontario, and as such, should be included as covered benefits under any Medical Services Insurance contract.

Schedule "C"

26. Schedule "C" should be expanded to include the purchase of benefits by the provincial government for the unemployed and their dependents.

